



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277
Fax: (313) 226-3561*

For Immediate Release:

Contact: Gina Balaya (313) 226-9193

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EVENT: Guilty Plea

Defendant: Karim Hassan Nasser

WINDSOR MAN PLEADS GUILTY TO RACKETEERING

Karim Hassan Nasser, 36, of Windsor, Ontario, pleaded guilty in federal court today to an indictment charging him with conspiracy to violate the Racketeer Influenced and Corrupt Organizations ("RICO") Act, United States Attorney Stephen J. Murphy announced.

Nasser pleaded guilty in United States District Court before the Honorable Gerald E. Rosen, United States District Judge. The indictment charged Nasser and other defendants with operating a criminal enterprise to traffic in contraband cigarettes and counterfeit goods, to produce counterfeit cigarette tax stamps, and to launder money. Some of the profits made from the illegal enterprise were given to Hizballah, a foreign terrorist organization, according to the indictment. Nasser faces maximum penalties of 20 years in prison and a \$250,000 fine. Co-defendants Youssef Bakri, Imad Hamadeh and Theodore Schenk have already entered guilty pleas to the indictment.

U.S. Attorney Stephen J. Murphy said, "If the proceeds of criminal activity are being used to support any designated terrorist organization – such as Hizballah – we will use all of the legal tools available to us to disrupt and deter both the criminal activity and the flow of funds to the terrorist organization."

U.S. Attorney Murphy was joined in the announcement by Daniel D. Roberts, Special Agent in Charge of the Detroit FBI; Valerie J. Goddard, Special Agent in Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives; Brian M. Moskowitz, Special Agent in Charge, U.S. Immigration and Customs Enforcement, Maurice Aouate, Special Agent in Charge of the Detroit Field Office of the Internal Revenue Service Criminal Investigation; and Michael Cleary, Special Agent in Charge, FDA-Office of Criminal Investigation.

"ATF's mission focuses on the elimination of terrorist organizations by identifying, investigating and arresting offenders who traffic in contraband cigarettes, and to divest these organizations of monies derived from this illicit activity," states Valerie J. Goddard. "We have shut down the illegal funding of a terrorist organization in this case," she added.

The indictment charges that between 1996 and 2004, a group of individuals worked together in a criminal enterprise to traffic in contraband cigarettes, counterfeit Zig Zag rolling papers and counterfeit Viagra, to produce counterfeit cigarette tax stamps, to transport stolen property, and to launder money. The enterprise operated from Lebanon, Canada, China, Brazil, Paraguay and the United States

Also named in the Indictment, and awaiting a January 7, 2007, trial date are: Fadi Mohamad-Musbah Hammoud, 33, of Dearborn; Majid Mohamad Hammoud, 39, of Dearborn Heights; Jihad Hammoud, 47, of Dearborn; Ali Najib Berjaoui, 39, of Dearborn; Mohammed Fawzi Zeidan, 41, of Canton; and Adel Isak, 37, of Sterling Heights. An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilty beyond a reasonable doubt.

Others charged in the indictment, who are currently wanted as fugitives and believed to be out of the United States are: Imad Mohamad-Musbah Hammoud, 37 of Lebanon, formerly of Dearborn; Hassan Ali Al-Mosawi, 49, of Lebanon; Hassan Hassan Nasser, 36, of Windsor, Ontario; Ali Ahmad Hammoud, 64, of Lebanon; Karim Hassan Abbas, 37, formerly of Dearborn; Hassan Mohamad Srour, 30, of Montreal, Quebec; Naji Hassan Alawie, 44, of Windsor, Ontario; and Abdel-Hamid Sinno, 52, of Montreal, Quebec.

The indictment alleges that Imad Hammoud, along with his partner, Hassan Makki, ran a multi-million dollar a year contraband cigarette trafficking organization headquartered in the Dearborn, Michigan, area between 1996 and 2002. Makki pleaded guilty in 2003 in federal district court in Detroit to racketeering and providing material support to Hizballah. Some of the cigarettes were supplied to the organization by Mohamad Hammoud, who was convicted in 2002 in federal district court in Charlotte, North Carolina, of, among other crimes, racketeering

and providing material support to Hizballah. Makki and Mohamad Hammoud, who were not charged in the indictment, were identified as unindicted co-conspirators. They both are currently serving prison sentences in related cases for their activities in this matter.

The indictment charges that the group would obtain low-taxed or untaxed cigarettes in North Carolina and the Cattaraugus Indian Reservation in New York and bring them into Michigan and the State of New York for the purpose of evading tens of millions in state cigarette taxes. The enterprise obtained large profits by reselling the cigarettes at market prices in Michigan and New York. The enterprise sometimes used counterfeit tax stamps to make it appear that the state taxes had been paid.

The indictment charges that portions of the profits made from the illegal enterprise were given to Hizballah. Some members of the enterprise charged a "Resistance Tax," being a set amount over black market price per carton of contraband cigarettes, which their customers were told would be going to Hizballah. Some members of the enterprise also solicited money from cigarette customers for the orphans of martyrs program run by Hizballah in Southern Lebanon to support the families of persons killed in Hizballah suicide and other terrorist operations.

The U.S. Secretary of State has designated Hizballah a foreign terrorist organization. An entity may be designated as a foreign terrorist organization if the Secretary of States finds that: (1) the organization is a foreign organization; (2) the organization engages in terrorist activity; and (3) the terrorist activity of the organization threatens the security of United States nationals or the national security of the United States.

United States Attorney Stephen J. Murphy commended the work of the FBI, the Bureau of Alcohol, Tobacco, Firearms and Explosives, Special Agents of the Bureau of Immigration and Customs Enforcement, the Internal Revenue Service, the Food and Drug Administration, Michigan State Police and the Dearborn Police Department. The case is assigned to Assistant U.S. Attorneys Kenneth Chadwell and Barbara McQuade.